

FRIENDS OF THE WARNER PARKS, INC.

FINANCIAL STATEMENTS

December 31, 2008 and 2007

FRIENDS OF THE WARNER PARKS, INC.
Nashville, Tennessee

FINANCIAL STATEMENTS
December 31, 2008 and 2007

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Crowe Horwath LLP
Member Horwath International

REPORT OF INDEPENDENT AUDITORS

Board of Directors
Friends of the Warner Parks, Inc.
Nashville, Tennessee

We have audited the accompanying statement of financial position of Friends of the Warner Parks, Inc. as of December 31, 2008 and 2007, and the related statements of activities, cash flows and functional expenses for the years then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Friends of the Warner Parks, Inc. as of December 31, 2008 and 2007, and the change in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Crowe Horwath LLP

Crowe Horwath LLP

Brentwood, Tennessee
May 18, 2009

FRIENDS OF THE WARNER PARKS, INC.
STATEMENTS OF FINANCIAL POSITION
December 31, 2008 and 2007

	<u>2008</u>	<u>2007</u>
ASSETS		
Cash and cash equivalents	\$ 183,669	\$ 132,600
Contributions receivable (Note 3)	<u>11,750</u>	<u>2,500</u>
	195,419	135,100
 Land and property - at cost (Note 6)	 4,821,801	 4,816,801
 Assets restricted for land acquisitions and capital improvements:		
Contributions receivable (Note 3)	949,672	389,021
Cash	1,409,709	340,671
Investments (Note 5)	659,808	59,743
Beneficial interest in agency endowment fund held by Community Foundation of Middle Tennessee (Note 4)	<u>67,030</u>	<u>98,997</u>
 Total assets	 <u>\$ 8,103,439</u>	 <u>\$ 5,840,333</u>
 LIABILITIES AND NET ASSETS		
Accounts payable and accrued expenses	\$ 29,408	\$ 30,311
 Net assets		
Designated for investment in property, net of related debt	4,821,801	4,816,801
Designated for beneficial interest in agency endowment fund (Note 4)	67,030	98,997
Undesignated	<u>96,095</u>	<u>21,440</u>
Total Unrestricted	4,984,926	4,937,238
 Temporarily restricted (Note 7)	 <u>3,089,105</u>	 <u>872,784</u>
Total net assets	<u>8,074,031</u>	<u>5,810,022</u>
 Total liabilities and net assets	 <u>\$ 8,103,439</u>	 <u>\$ 5,840,333</u>

See accompanying notes to financial statements.

FRIENDS OF THE WARNER PARKS, INC.
STATEMENTS OF ACTIVITIES
For the years ended December 31, 2008 and 2007

	Unrestricted	Temporarily Restricted	2008 Total	Unrestricted	Temporarily Restricted	2007 Total
Support and revenues						
Public support:						
Fundraising events and contributions	\$ 453,334	\$ 2,308,074	\$ 2,761,408	\$ 332,584	\$ 308,444	\$ 24,140
Membership dues	48,711	-	48,711	58,860	-	58,860
Revenues:						
Investment income	111	17,010	17,121	790	23,567	24,357
Realized and unrealized losses on investments	-	(4,693)	(4,693)	-	(6,668)	(6,668)
Other income	27,387	-	27,387	17,779	-	17,779
Change in value of beneficial interest in agency endowment fund held by Community Foundation of Middle Tennessee (Note 4)	(31,967)	-	(31,967)	5,972	-	5,972
Net assets released from restriction:						
Satisfaction of time and purpose restrictions	104,070	(104,070)	-	745,210	(745,210)	-
	<u>601,646</u>	<u>2,216,321</u>	<u>2,817,967</u>	<u>1,161,195</u>	<u>(419,867)</u>	<u>124,440</u>
Expenses						
Program services	328,840	-	328,840	299,953	-	299,953
Supporting services:						
Management and general	50,353	-	50,353	55,585	-	55,585
Fundraising	174,765	-	174,765	200,689	-	200,689
Total expenses	<u>553,958</u>	<u>-</u>	<u>553,958</u>	<u>556,227</u>	<u>-</u>	<u>556,227</u>
Change in net assets	47,688	2,216,321	2,264,009	604,968	(419,867)	185,101
Net assets, beginning of year	<u>4,937,238</u>	<u>872,784</u>	<u>5,810,022</u>	<u>4,332,270</u>	<u>1,292,651</u>	<u>5,624,921</u>
Net assets, end of year	<u>\$ 4,984,926</u>	<u>\$ 3,089,105</u>	<u>\$ 8,074,031</u>	<u>\$ 4,937,238</u>	<u>\$ 872,784</u>	<u>\$ 5,810,022</u>

See accompanying notes to financial statements.

FRIENDS OF THE WARNER PARKS, INC.
STATEMENTS OF CASH FLOWS
Years ended December 31, 2008 and 2007

	<u>2008</u>	<u>2007</u>
Cash flows from operating activities		
Change in net assets	\$ 2,264,009	\$ 185,101
Adjustments to reconcile change in net assets to net cash from operating activities:		
Realized and unrealized losses on investments	4,693	6,668
Restricted contributions for land acquisitions and capital improvements	(1,813,573)	-
Amortization of discount on restricted contributions	7,865	(23,858)
Interest earned and realized and unrealized gains on restricted investments	(12,317)	(14,366)
Change in value of beneficial interest in agency endowment fund held by Community Foundation of Middle Tennessee	27,167	(10,372)
Changes in operating assets and liabilities:		
Contributions receivable	(9,250)	4,130
Accounts payable and accrued expenses	(903)	(27,299)
Net change in operating activities	467,691	120,004
Cash flows from investing activities		
Proceeds from sale of investments	-	1,648,379
Purchases of investments restricted for land acquisitions and capital improvements	(1,673,796)	(814,546)
Acquisition of land and property	(5,000)	(37,798)
Distribution from agency endowment fund	4,800	4,400
Net change in investing activities	(1,673,996)	800,435
Cash flows from financing activities		
Proceeds from contributions restricted for land acquisitions and capital improvements	1,245,057	182,023
Interest earned and realized and unrealized gains on investments	12,317	14,366
Principal payments on notes payable	-	(1,368,501)
Net change in financing activities	1,257,374	(1,172,112)
Net change in cash and cash equivalents	51,069	(251,673)
Cash and cash equivalents - beginning of year	132,600	384,273
Cash and cash equivalents - end of year	<u>\$ 183,669</u>	<u>\$ 132,600</u>
Supplemental cash flow disclosure:		
Interest paid	<u>\$ -</u>	<u>\$ 28,566</u>

See accompanying notes to financial statements.

FRIENDS OF THE WARNER PARKS, INC.
STATEMENTS OF FUNCTIONAL EXPENSES
For the year ended December 31, 2008

	Supporting Services			
	Program Services	Management And General	Fundraising	Total
Employee compensation expenses:				
Contracted salaries and related payroll expenses (Note 9)	\$ 62,130	\$ 11,965	\$ 23,931	\$ 98,026
Salaries	68,740	15,450	53,400	137,590
Payroll taxes	5,441	1,223	4,227	10,891
Employee benefits	3,916	880	3,042	7,838
Total employee compensation expenses	140,227	29,518	84,600	254,345
Park construction and restoration projects				
Education	104,070	-	-	104,070
Landscaping	7,749	-	-	7,749
Promotion	7,500	-	-	7,500
Printing, postage, and publication	48,636	-	72,955	121,591
Professional development	1,894	-	-	1,894
Insurance and office expense	1,232	84	84	1,400
Professional services	13,810	13,404	13,404	40,618
Miscellaneous	-	5,486	-	5,486
	3,722	1,861	3,722	9,305
Total	\$ 328,840	\$ 50,353	\$ 174,765	\$ 553,958

See accompanying notes to financial statements.

FRIENDS OF THE WARNER PARKS, INC.
STATEMENTS OF FUNCTIONAL EXPENSES
For the year ended December 31, 2007

	Supporting Services			
	Program Services	Management And General	Fundraising	Total
Employee compensation expenses:				Total
Contracted salaries and related payroll expenses (Note 9)	\$ 61,288	\$ 11,207	\$ 22,414	\$ 94,909
Salaries	22,380	18,374	90,517	131,271
Payroll taxes	1,764	1,416	7,105	10,285
Employee benefits	1,259	1,012	5,072	7,343
Total employee compensation expenses	86,691	32,009	125,108	243,808
Park construction and restoration projects				
Education	120,799	-	-	120,799
Interest	6,772	-	-	6,772
Landscaping	20,871	-	-	20,871
Promotion	8,951	-	-	8,951
Printing, postage, and publication	44,498	-	66,747	111,245
Professional development	407	-	406	813
Insurance and office expense	2,446	167	166	2,779
Professional services	8,650	8,395	8,395	25,440
Miscellaneous	-	15,081	-	15,081
	(132)	(67)	(133)	(332)
Total	\$ 299,953	\$ 55,585	\$ 200,689	\$ 556,227

See accompanying notes to financial statements.

FRIENDS OF THE WARNER PARKS, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2008 and 2007

NOTE 1 - GENERAL

Friends of the Warner Parks, Inc. (the "Organization") is a nonprofit organization whose purpose is to provide volunteer service to the Metropolitan Government of Nashville and Davidson County Tennessee Board of Parks and Recreation ("Metro Parks and Recreation") in order to preserve, protect, and improve the historic and natural quality of the Warner Parks and to improve the facilities, equipment, and programs of the Warner Parks. The Organization is funded primarily from membership dues and contributions.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Contributions and Support: Contributions are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions.

Contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are restricted by the donor for future periods or for specific purposes are reported as temporarily restricted or permanently restricted support that increases those net asset classes. When a restriction is fulfilled (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted and reported in the Statement of Activities as net assets released from restrictions.

The Organization had no permanently restricted net assets at December 31, 2008 or 2007.

Cash and Cash Equivalents: Cash and cash equivalents consist of bank deposits in accounts that are federally insured up to \$250,000 per financial institution. Additionally, for purposes of the statement of cash flows, the Organization considers all highly liquid investments purchased with an original maturity of three months or less to be cash equivalents.

Contributions Receivable: Pledges receivable represent the remaining balance of unconditional promises to give that have not yet been paid. Pledges that are expected to be collected within one year or less are recorded at net realizable value. Pledges that are expected to be collected beyond one year are recorded at the present value of their estimated future cash flows. The pledges have been discounted using a risk-free interest rate applicable during the time the pledge was made. The interest rate used for pledges received in 2005 is 4.35%, 4.70% for pledges received in 2006, and 1.55% for pledges received in 2008. Amortization of the pledge discounts are recognized as contribution revenue each year until the pledge is paid in full. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional.

FRIENDS OF THE WARNER PARKS, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2008 and 2007

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Adoption of New Accounting Standard: The Organization has adopted and implemented Statement of Financial Accounting Standards (SFAS) No. 157, "Fair Value Measurements". This statement defines fair value, establishes a framework for measuring fair value and expands disclosures about fair value measurements. This Statement establishes a fair value hierarchy regarding the assumptions used to measure fair value and clarifies assumptions about risk and the effect of a restriction on the sale or use of an asset. The standard is effective for fiscal years beginning after November 15, 2007.

Valuation of Investments: Investments consist of certificates of deposit and securities and are carried at their quoted fair values on the last business day of the reporting period. The changes in unrealized gains and losses are recognized in the statement of activities for the year. Investments relate principally to contributions that were temporarily restricted for the Organization's Capital Campaigns. Accordingly, substantially all investment income and gains are classified as temporarily restricted.

Investments are carried at their estimated fair value. SFAS 157 establishes a fair value hierarchy which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The standard describes three levels of inputs that may be used to measure fair value.

Level 1: Quoted prices (unadjusted) for identical assets or liabilities in active markets that the entity has the ability to access as of the measurement date.

Level 2: Significant other observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.

Level 3: Significant unobservable inputs that reflect a reporting entity's own assumption about the assumptions that market participants would use in pricing an asset or liability.

At December 31, 2008, the financial statements include investments of \$726,838 whose values have been measured based on Level 1 inputs and \$949,672 whose values have been measured based on level 2 inputs.

FRIENDS OF THE WARNER PARKS, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2008 and 2007

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

In determining the value on a given date of marketable securities for which market quotations are readily available and which are available for immediate sale, (a) securities traded on a national securities exchange will be valued at the closing price on such date on such exchange where they are primarily traded, (b) over-the-counter securities will be valued at the closing bid price on such date by NASDAQ or, if not quoted by NASDAQ, as last quoted in a recognized list for over-the-counter securities, and (c) securities traded pursuant to transactions effected pursuant to Rule 144A under the Securities Act will be valued at the last trade price on such date. As it relates to investments for which there is no public market, there is no single standard for determining the estimated fair value. In most cases, fair value for such investments is best expressed as a range of values derived utilizing different methodologies from which a single estimate may then be determined.

The following table presents investments measured at fair value:

	December 31, 2008	Fair Value Measurements at December 31, 2008 Using		
		Quoted Prices in Active Markets (Level 1)	Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Mutual funds	\$ 55,050	\$ 55,050	\$ -	\$ -
Certificates of deposit	604,758	604,758	-	-
Beneficial interest in endowment fund	67,030	67,030	-	-
Pledges receivable	-	-	949,672	-

Agency Endowment Fund: The Organization's beneficial interest in an agency endowment fund held by the Community Foundation of Middle Tennessee is recognized as an asset. In addition, investment income and changes in the value of the fund are recognized in the statement of activity, and distributions received from the fund are recorded as decreases in the beneficial interest. (See Note 4.)

Income Taxes: The Organization is a not-for-profit corporation pursuant to Section 501(c)(3) of the Internal Revenue Code and is exempt from income taxes on related income pursuant to Section 501(a). Accordingly, no provision for income taxes is required for the Organization in the financial statements.

FRIENDS OF THE WARNER PARKS, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2008 and 2007

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

FASB Interpretation No. 48, Accounting for Uncertainty in Income Taxes (FIN 48), issued July 2006, was effective as of January 1, 2007. The Company has elected to defer adoption of FIN 48, in accordance with the provisions of FASB Staff Position No. FIN 48-3, which permits certain nonpublic enterprises to delay adoption until fiscal years beginning after December 15, 2008. Upon adoption of FIN 48, the Company will recognize a tax benefit only if it is more likely than not the tax position would be sustained in a tax examination, with a tax examination being presumed to occur. The amount recognized will be the largest amount of tax benefit that is greater than 50% likely of being realized on examination. For tax positions not meeting the more-likely-than-not test, no tax benefit will be recorded. Currently, the Company accounts for contingencies associated with certain tax positions in accordance with SFAS No. 5, Accounting for Contingencies, which provides the recording of a contingency based on the probability of certain events to transpire that range from probable to remote as opposed to applying a more likely than not recognition threshold.

Donated Property and Materials: Donated items are recorded at their fair value at the date of the gift.

Donated Services: In addition to receiving cash contributions, the Organization receives in-kind contributions from various donors. It is the policy of the Organization to record the estimated fair market value of certain in-kind contributions as both revenue and expense for the programs or activities benefited. For the years ended December 31, 2008 and 2007 in-kind contributions totaled \$22,521 and \$17,779 respectively.

Program and Supporting Services: The following functional expense classifications are included in the accompanying financial statements:

Program services - consist of programs to help preserve, protect and improve the historic and natural quality of the Warner Parks and to provide support to help improve the park facilities, equipment and programs.

Management and general - includes the functions necessary to ensure an adequate working environment and costs not identifiable with a single program or with fundraising. Includes costs associated with providing coordination and articulation of the Organization's program strategy, business management, general record-keeping, budgeting, and related purposes.

Fundraising - includes costs of activities directed toward appeals for financial support, including special events. Other activities include the cost of solicitations and creation and distributions of fundraising materials.

FRIENDS OF THE WARNER PARKS, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2008 and 2007

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Allocation of Functional Expenses: Expenses that can be directly attributed to a particular function are charged to that function. Certain costs have been allocated among more than one program or activity benefited based on objectively evaluated financial and nonfinancial data or reasonable subjective methods determined by management.

Use of Estimates: The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Reclassifications: Certain reclassifications have been made to present last year's financial statements on a basis comparable to the current year's financial statements. These reclassifications had no effect on the change in net assets.

NOTE 3 - CONTRIBUTIONS RECEIVABLE

As of December 31, 2008 and 2007, contributions receivable from related parties included \$179,193 and \$71,032, respectively, from members of the Organization's board of directors, and \$377,460 and \$70,700, respectively, from members of the Organization's advisory council.

The following is the detail of the pledges receivable balances at December 31, 2008 and 2007:

	<u>2008</u>	<u>2007</u>
Due in less than one year	\$ 430,102	\$ 151,932
Due in one to five years	<u>570,809</u>	<u>271,011</u>
	1,000,911	422,943
Less: Discount to present value	<u>(39,489)</u>	<u>(31,422)</u>
Subtotal	961,422	391,521
Less: Allowance for uncollectible amounts	<u>-</u>	<u>-</u>
	<u>\$ 961,422</u>	<u>\$ 391,521</u>

FRIENDS OF THE WARNER PARKS, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2008 and 2007

NOTE 3 - CONTRIBUTIONS RECEIVABLE (Continued)

Contributions receivable are reported on the Statement of Financial Position as follows as of December 31:

	<u>2008</u>	<u>2007</u>
Operating	\$ 11,750	\$ 2,500
Restricted for land acquisitions and capital improvements	<u>949,672</u>	<u>389,021</u>
	<u>\$ 961,422</u>	<u>\$ 391,521</u>

NOTE 4 - AGENCY ENDOWMENT FUND

The Organization has a beneficial interest in the Friends of Warner Parks Agency Fund, an agency endowment fund held by the Community Foundation of Middle Tennessee (the "Community Foundation"). Earnings on this fund are used to further the goals of Friends of the Warner Parks, Inc. The Organization has granted variance power to the Community Foundation, and the Community Foundation has the ultimate authority and control over the Fund and the income derived therefrom. The fund is charged a 0.4% administrative fee quarterly. Upon request by the Organization, income from the Fund representing a 5% annual return may be distributed to the Organization or to another suggested beneficiary.

A schedule of changes in the Organization's beneficial interest in this fund for the years ended December 31, follows:

	<u>2008</u>	<u>2007</u>
Balance - beginning of the year	\$ 98,997	\$ 93,025
Change in value of beneficial interest in agency endowment fund:		
Contributions to the fund	135	1,100
Investment income (loss) , net	(26,764)	9,850
Administrative expenses	<u>(538)</u>	<u>(578)</u>
	(27,167)	10,372
Distributions to the Organization	<u>(4,800)</u>	<u>(4,400)</u>
Balance - end of the year	<u>\$ 67,030</u>	<u>\$ 98,997</u>

FRIENDS OF THE WARNER PARKS, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2008 and 2007

NOTE 5 - INVESTMENTS

The following are the major types of investments held by the Organization at December 31, 2008 and 2007:

	<u>2008</u>	<u>2007</u>
Certificates of deposit	\$ 604,758	\$ -
Mutual Funds	<u>55,050</u>	<u>59,743</u>
	<u>\$ 659,808</u>	<u>\$ 59,743</u>

Investments are reported on the Statement of Financial Position as follows as of December 31:

	<u>2008</u>	<u>2007</u>
Restricted for land acquisitions and capital improvements	<u>\$ 659,808</u>	<u>\$ 59,743</u>

NOTE 6 - LAND AND PROPERTY

During 2008 and 2007, the Organization acquired certain land tracts surrounding the Warner Parks. The Organization intends to donate the land to Metro Parks and Recreation in 2009. Although there is a house on one of the tracts, the Organization has no immediate plans to utilize the facility. Land and property consisted of the following at December 31:

	<u>2008</u>	<u>2007</u>
Land	\$ 4,571,801	\$ 4,566,801
House	<u>250,000</u>	<u>250,000</u>
	<u>\$ 4,821,801</u>	<u>\$ 4,816,801</u>

FRIENDS OF THE WARNER PARKS, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2008 and 2007

NOTE 7 - TEMPORARILY RESTRICTED NET ASSETS

Changes in temporarily restricted net assets for the year ended December 31, 2008 were as follows:

	Temporarily Restricted Net Assets - Balance, as of <u>January 1, 2008</u>	Contributions/ Additions/ <u>Reclassifications</u>	Release of <u>Restrictions</u>	Investment <u>Income</u>	Temporarily Restricted Net Assets - Balance, as of <u>December 31, 2008</u>
Tree Trust	\$ 12,589	\$ 2,575	\$ (5,169)	\$ -	\$ 9,995
Chickering Road Improvement	641	-	-	-	641
PEN Pals Camp	-	12,500	(13,013)	-	(513)
USDA Tree Trail	43	-	-	-	43
Capital Campaign	586,812	6,891	(13,185)	7,559	588,077
Memorials	26,071	1,425	(5,280)	-	22,216
Allee	27,297	-	-	-	27,297
Hodge House	8,580	-	(6,718)	-	1,862
SWEAT	-	28,073	(28,073)	-	-
Exhibits	3,469	-	-	-	3,469
Other grants and gifts	4,756	150	-	-	4,906
Hill Tract Campaign	<u>202,526</u>	<u>2,256,460</u>	<u>(32,632)</u>	<u>4,758</u>	<u>2,431,112</u>
	<u>\$ 872,784</u>	<u>\$ 2,308,074</u>	<u>\$ (104,070)</u>	<u>\$ 12,317</u>	<u>\$ 3,089,105</u>

FRIENDS OF THE WARNER PARKS, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2008 and 2007

NOTE 7 - TEMPORARILY RESTRICTED NET ASSETS (Continued)

Changes in temporarily restricted net assets for the year ended December 31, 2007 were as follows:

	Temporarily Restricted Net Assets - Balance, as of <u>January 1, 2007</u>	Contributions/ Additions/ <u>Reclassifications</u>	Release of <u>Restrictions</u>	Investment <u>Income</u>	Temporarily Restricted Net Assets - Balance, as of <u>December 31, 2007</u>
Tree Trust	\$ 10,009	\$ 8,990	\$ (6,410)	\$ -	\$ 12,589
Chickering Road Improvement	731	-	(90)	-	641
PEN Pals Camp	642	9,382	(10,024)	-	-
USDA Tree Trail	43	-	-	-	43
Capital Campaign	1,193,950	22,915	(646,952)	16,899	586,812
Memorials	22,029	8,955	(4,913)	-	26,071
Programs and Events Resource	1,925	2,400	(4,325)	-	-
Management	18,000	-	(18,000)	-	-
Allee	24,797	2,500	-	-	27,297
Hodge House	8,580	-	-	-	8,580
SWEAT	1,500	30,221	(31,721)	-	-
Exhibits	3,515	-	(46)	-	3,469
Other grants and gifts	6,930	20,555	(22,729)	-	4,756
Hill Tract Campaign	-	202,526	-	-	202,526
	<u>\$ 1,292,651</u>	<u>\$ 308,444</u>	<u>\$ (745,210)</u>	<u>\$ 16,899</u>	<u>\$ 872,784</u>

NOTE 8 - CONCENTRATION OF CREDIT RISK

The Organization began a capital campaign at the end of 2004 and again in 2008 in order to help pay for the land purchased in 2004 and land intended to be purchased in 2009. One contributor to the campaign accounted for 44% of total contributions in 2008. The Organization's primary fundraiser, "Sunday in the Park," accounted for \$216,790 and \$141,125, or 48% and 42% of the unrestricted contributions in 2008 and 2007, respectively. The Organization's fundraiser with Luke Lea Society accounted for \$103,978 and \$76,005, or 23% and 26% of the unrestricted contributions in 2008 and 2007, respectively.

From time to time throughout the year, the Organization's bank balances with financial institutions exceeded FDIC insurance limits. Management considers this to be a normal business risk. At December 31, 2008 and 2007, cash balances per bank exceeded the FDIC insurance limits by approximately \$882,000 and \$170,000, respectively.

FRIENDS OF THE WARNER PARKS, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2008 and 2007

NOTE 9 - CONTRACTED SALARIES AND RELATED PAYROLL COSTS

The Organization reimburses Metro Parks and Recreation for personnel expenses for the following positions: office assistant, naturalists, security services and staff ranger.

NOTE 10 - COMMITMENTS

As discussed in Note 7, the Organization began a campaign in 2007 to raise approximately \$10,000,000 to purchase a tract of land from the H.G. Hill Company. The Organization has received contributions and pledges of \$2,431,112 at December 31, 2008 and \$202,526 at December 31, 2007. Other funding sources will include grants from governmental agencies and other private foundations at the time of purchase. Management plans to close on the purchase during 2009.